

SB 408 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 3/11, 4/6

WHAT THE MEASURE DOES:

Allows marijuana producer to track by batch mature marijuana plants. Allows marijuana producers with common ownership to transfer marijuana and usable marijuana to one another. Allows marijuana producer to receive specified marijuana items from marijuana processor. Specifies information required in transfer manifest for transport of marijuana.

ISSUES DISCUSSED:

- Need for revised regulations to support growth of cannabis industry
- Current Department of Revenue methods for determining producer revenue
- Ongoing discussions with OLCC to develop consensus amendments

EFFECT OF AMENDMENT:

-1 Replaces the measure. Prohibits Oregon Liquor Control Commission (OLCC) from pausing the processing or issuance of new marijuana license sought by an existing licensee solely because of pending investigation against the licensee. Prohibits OLCC from imposing discipline on a licensee for a violation that occurs because a person acts with intent to take, appropriate, obtain, or withhold property from the licensee. Limits conditions under which OLCC may revoke recreational license. Allows for transfer of specified marijuana products between producers and processors and producers with common ownership. Establishes mandatory content for manifest that transport driver must carry in transport vehicle when transporting marijuana or marijuana items. Requires OLCC to adopt rules supporting marijuana plant diversity by allowing qualified producer to receive seeds from any source in this state and allows for delivery of seeds by producers, processors, and wholesalers to licensees, registered medical patients, and designated caregivers. Increases possession limits from one ounce to two ounces of usable marijuana in a public place. Increases threshold for Class C felony of unlawful possession or delivery from eight pounds to sixteen pounds of usable marijuana in a public place. Requires Oregon Health Authority (OHA) to adopt rules allowing for concentration of up to 100 milligrams of tetrahydrocannabinol (THC) per serving of cannabinoid edibles. Prohibits OLCC from requiring that usable marijuana, including prerolled marijuana, be packaged in continually child resistant and resealable package and requires OLCC to report to legislative assembly no later than December 31, 2022, on changes that would further reduce use of plastics by recreational marijuana industry.

BACKGROUND:

Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. Administered by the Oregon Health Authority (OHA), the Oregon Medical Marijuana Program allows registered patients to grow plants for themselves, designate a grower and a grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments. In 2014, Oregon voters enacted Ballot Measure 91, allowing the recreational use of marijuana for persons 21 years or older in Oregon. The Oregon Liquor Control Commission (OLCC) administers licensing for over 2,500 recreational marijuana producers, processors, wholesalers, and retailers as well as the seed-to-sale tracking system known as the Cannabis Tracking System.

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Senate Bill 408 with the -1 amendments proposes several changes to the state's regulation of both medical and recreational marijuana. The measure reforms agency enforcement by:

- prohibiting OLCC from pausing the processing or issuance of a license sought by an existing licensee solely because of a pending investigation against the licensee;
- prohibiting OLCC from imposing discipline on a licensee for a violation that occurs because a person acts with intent to steal or withhold property from the licensee; and
- limiting the conditions under which OLCC may revoke a recreational license.

The measure allows for easier transfer of marijuana products by allowing for transfers of specified products between producers and processors and producers with common ownership, and establishing mandatory content for a shipping manifest that transport drivers must carry when transporting marijuana or marijuana items. It also seeks to increase plant diversity by requiring OLCC to adopt rules allowing qualified producers to receive seeds from any source in this state and allowing for the delivery of seeds by producers, processors, and wholesalers to recreational licensees, registered patients, and caregivers.

The measure makes changes to possession and concentration limits by:

- increasing possession limits for usable marijuana from one to two ounces in a public space;
- increasing the threshold for a Class C felony of possession or delivery from eight to 16 pounds in a public space; and
- requiring OHA to adopt rules allowing for concentration of up to 100 milligrams of THC per serving in cannabinoid edibles.

Finally, the measure seeks to reduce the use of plastics in Oregon's recreational marijuana industry by prohibiting OLCC from requiring that usable marijuana, including prerolled marijuana, be packaged in a continually child resistant and resealable exit package and requiring OLCC to report to the legislative assembly no later than December 31, 2022, on changes that would further reduce the use of plastics.